

UK Labour Party's pro-business austerity agenda heralds escalation in class struggle

Robert Stevens
11 June 2024

The working class faces the greatest assault on its living standards in post-war history from whichever government comes into office after the July 4 British general election.

Such is the level of social polarisation that the Labour Party, expected to win the election after 14 years of Conservative rule, has claimed that there will be no further austerity if it comes to power.

Asked by LBC Radio's Shelagh Fogarty Monday whether he would be able to say "read my lips: no cuts to public services", Starmer responded, "I know what that feels like, I know the impact, the devastating impact it had, and has had and continues to have. So we're not returning to austerity."

He added, "We will have to make tough decisions." These are the only true words uttered by Starmer. They mean severe cuts when it comes to public services.

Starmer and his shadow chancellor, Rachel Reeves, have insisted over the last four years that Labour will be the most pro-business government in history, which means it will be dedicated to attacking the working class and slashing public spending.

In 2022, Reeves stated that a future Labour government would only borrow to invest, not to fund any expansion in public services. Speaking at a Resolution Foundation thinktank event, she said, "I've set out the fiscal rules which will bind the next Labour government. Rules which I will stick to with ironclad discipline." These were that Labour would prioritise reducing the national debt as a share of the economy. At that point the national debt stood at £2,445.2 billion (£2.4 trillion) equivalent to 100.2 percent of GDP. It remains almost as large.

Starmer pledged that a Labour government would not "turn on the spending taps" (December 2023) nor open the "big government cheque book" (January 2024).

Labour has now entered the election promising, as have the Tories, not to raise any taxes on the richest. This comes with both parties pledged to ramp up military spending—from its present 2.3 percent of GDP to 2.5 percent—at an additional cost of many tens of billions of pounds. With no taxes being raised to pay for this, what is being prepared is a gigantic assault on the jobs, wages and conditions of the working class to fund a multi-front war.

After 15 years of austerity, which has plunged 14.4 million people (almost a quarter of the population) into poverty, some workers may hope that things cannot get any worse under a Starmer-led government.

But they can get worse; and given the commitment of Labour not to raise a single penny in additional taxation while throwing money at the military, they will get much worse.

What is in the offing was mapped out in studies published over the last month, including by the Institute for Government (IfG) thinktank. "The precarious state of the state" report notes, "Most public services are performing worse than before the 2019 election—and far worse than in 2010".

Among its conclusions are that "Hospital performance is arguably the worst in the NHS's [National Health Service] history: waiting times have been the longest on record, and targets for elective care, A&E and cancer treatment have not been met since 2016, and 1.5 million people waited more than 12 hours in A&Es in 2023/24—more than triple the number in 2019."

"People are struggling to access general practice, despite more appointments being delivered than ever. The numbers of patients per GP has risen by 18% since 2015," the report states.

Local councils in Britain have been hit by staggering

funding cuts since 2008, losing 40 percent of their central government funding. The IfG notes, “While this has partially been offset by rising council tax and recent (minor) increases in grant funding, local authority spending power is still approximately 10% lower in 2024/25 than it was at the beginning of last decade.”

This is as “local authorities have faced ever rising demand from overall population growth, more people aged over 65 and rising levels of poverty”, the deliberate result of grinding austerity cuts.

To “balance their books” has required “cutting spending on more preventative or universal services. For example, local authorities cut spending on youth services and children’s centres by more than three-quarters (77.9%) in real terms between 2009/10 and 2022/23.”

The IfG notes one terrible result of this onslaught on the working class, “Strikingly, in 2022/23, there were 730,000 more children living in poverty than in 2010/11.”

The cuts, compounded by financial skullduggery, including rampant property speculation carried out by councils of all political stripes—have seen an increasing number of councils going bust, including Labour-run Birmingham, the largest single council in the country.

The IFG notes, “In the last six years, there have been six times the number of section 114 (‘bankruptcy’) notices filed by local authorities than in the previous three decades, forcing cuts to key services. Residents in those areas face rising council tax bills and vastly reduced services such as libraries, waste collection and adult and children’s social care.”

Commenting on the fact that neither the Tories, nor Labour propose anything to address a vastly worsening social crisis, the IfG states, “Current spending plans are implausible. They assume further cuts to a criminal justice system that is on its knees, minimal change in schools or local government, and only small increases in a health service which has suffered a decade of insufficient funding.”

The study followed this month’s report by the Resolution Foundation warning that in the absence of the new government bringing in revenue by substantially raising taxes, the only alternative was to further slash public spending.

The NHS and education budgets are ostensibly “ringfenced” from cuts, but the reality is that their

budgets are always pegged at a level which means they are unable to provide the services required, such is the demand. Moreover the NHS must make annual efficiency and productivity savings (currently 6 percent).

The *Guardian* noted that such ringfencing would result under the next government “in inflation-adjusted, per-person spending cuts to unprotected departments—such as justice, the Home Office and local government—of 13% between 2024-25 and 2028-29. Cuts on this scale—equivalent to £19bn—would amount to repeating nearly three-quarters of the cuts made during the 2010-2015 parliament.”

The government in power at the time was the Conservative-Liberal Democrats coalition imposing what Tory Prime Minister David Cameron called an “age of austerity”. Starmer is only a bigger liar than Cameron, when he denies that his too will be an austerity government.

Starmer has pledged a national security budget, making the military “fit to fight” as his “number one priority.” He was put on notice by the *Financial Times* in a May 22 editorial, the day Sunak called the election, insisting that the Tories and Labour had to come clean and “must set out how they aim to resolve the strains on the NHS and social care, schools and universities, police and the courts, local authorities, as well as defence—especially given the spending cuts implied by current fiscal projections. The IMF [International Monetary Fund] warned this week that spending would inevitably be higher, with a near £30bn gap in public finances looming.”

The Socialist Equality Party is standing assistant national secretary and WSWS writer Thomas Scripps against Starmer in Holborn and St Pancras. He will urge workers and young people to prepare a political struggle against a Labour government of austerity and war and to fight for a socialist alternative.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact